

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 EUR-12 L-03 /068 W

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P 122133Z MAR 76

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC PRIORITY 563

AMEMBASSY GUATEMALA PRIORITY

AMEMBASSY TEGUCIGALPA PRIORITY

AMEMBASSY BERN

C O N F I D E N T I A L SAN SALVADOR 1256

E.O. 11652: GDS

TAGS: PINT,BBDK, ES

SUBJECT: UCS SEEKS \$50 - 100 MILLION LOAN

1. AS ARA/CEN IS AWARE THE UNION COMUNAL SALVADORENA (UCS), THE LARGEST AND MOST EFFECTIVE CAMPESINO ORGANIZATION IN THE COUNTRY, IS ACTIVELY INVOLVED IN TRYING TO OBTAIN 50 - 100 MILLION DOLLARS FROM FOREIGN SOURCES. THE GOES IS INVOLVED IN THAT IT HAS PROMISED TO GUARANTEE THE LOAN. THE EXACT NATURE OF THE SOURCE OF THESE FUNDS HAS BEEN HAZY AND CONFUSED. THIS CONFUSION HAS LED TO STORIES THAT THE USG IS SOMEHOW INVOLVED, WHICH THE EMBASSY HAS MADE EVERY EFFORT TO TRACK DOWN AND EXPOSE.

2. THROUGH CONTRACTS WITH THE UCS, WE NOW HAVE A SOMEWHAT CLEARER PICTURE OF WHO AND WHAT SORT OF AN ENTITY IT BELIEVES IT IS DEALING WITH. GIVEN THE POLITICAL SENSITIVITIES OF THE UCS AND ITS RELATIONSHIPS WITH THE MISSION, WE WOULD APPRECIATE IF THE DEPARTMENT AND OTHER ADDRESSEES COULD CHECK INTO THE BUSINESS REPUTATION AND GENERAL BONA FIDES OF ANY OR ALL OF THE FOLLOWING:

3. DEPARTMENT ACTION -THE UCS HAS BEEN DEALING WITH ONE MARIO ROSENBERG, WHO CLAIMS TO BE THE GUATEMALAN REPRESENTATIVE OF INTERNATIONAL FUNDING ASSOCIATES OF AMERICA (IFAA), OF 22 EINORA
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DRIVE, WORCHESTER, MASSACHUSETTS. THE EXECUTIVE OFFICER OF

IFAA IS IDENTIFIED AS ARTHUR T. WINTER. A SECOND NAME ASSOCIATED WITH THE I--S U.S. OFFICE IS FRANK JOHN FICA, REPORTEDLY IN CENTRAL AMERICA AT THIS TIME FIRING UP THE DETAILS OF THE UCS LOAN AS WELL AS ANOTHER IN HONDURAS.

4. TEGUCIGALPA ACTION - THE UCS HAS BEEN TOLD THAT FICA AND ROSEMBERG HAVE FINALIZED A LOAN OF 120 MILLION RPT 120 MILLION LEMPIRAS (60 MILLION DOLLARS) TO A HONDURAN CAMPESINO ORGANIZATION. WE HAD BEEN TOLD PREVIOUSLY THAT A TEGUCIGALPA LUMBER COMPANY, MORALES Y CIA, WAS THE LOCAL REP IN THE DEAL. HAVE YOU ANY INFORMATION OR COMMENT ON THE POSSIBILITY OF SUCH A LOAN?

5. GUATEMALA ACTION - MARIO ROSEMBERG, THOUGHT TO BE A PARTNER OF ROSEMBERG Y ROSEMBERG, A GUATEMALA FARM EQUIPMENT OUTFIT, HAS GIVEN THE UCS LETTERS WHICH IDENTIFY HIM AS REPRESENTING AN ENTITY CALLED INTERNATIONAL FUNDEWRITERS CONSULTANTS, APARTADO POSTAL 4-C, GUATEMALA, TELEPHONE 460409, CALBE INFUCU. THE LETTER-HEAD IDENTIFIES THE GROUP AS DEALING WITH "INTERNATIONAL FUNDING" (PERHAPS ACCOUNTABLE FOR THE NAME CONFUSION), "LAON AND INSURANCE CONSULTANTS, COUNSELERS FOR MAJOR FUNDING PROGRAMS, PROJECT DEVELOPMENT, BANKS AND GOVERNMENT".

6 BERN ACTION - "INTERNATIONAL FUNDING" HAS BEEN DESCRIBED TO UCS AS SWISS-BASED ORGANIZATION. WOULD APPRECIATE ANY INFORMATION EMBASSY BERN COULD DEVELOP.

7 WE WOULD APPRECIATE ASAP ANY INFORMATION THAT COULD BE DEVELOPED ON THE ABOVE FIRMS AND PERSONS. WITH THE AMOUNTS INVOLVED, THE TERMS REPORTEDLY OFFERED (UCS DEAL IS AT 2 OR 2 1/2 PERCENT, FOUR YEAR GRACE PERIOD, ON A 30 YEAR NOTE), THE MISSION IS UNDERSTANDABLY SKEPTICAL OF THE WHOLE DEAL. THE IMPLICATIONS OF HOW THIS ALL COMES OUT FOR THE UCS, AND ULTIMATELY FOR DOMESTIC POLITICS, ARE IMMENSE.
CAMPBELL

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